4 A student chooses to study for a degree in engineering at university rather than take a job working as an apprentice engineer. The apprenticeship lasts five years and involves training while working.

What will decrease the opportunity cost of this choice?

A a decrease in the wages paid to apprentice engineers

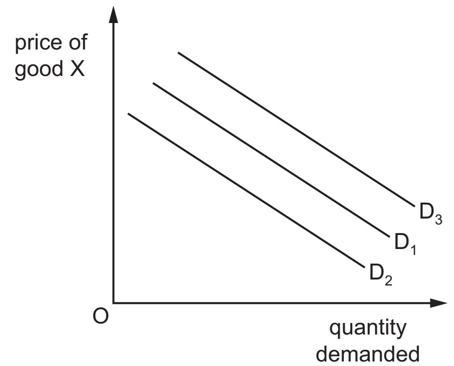
B a decrease in the number of students studying engineering degrees

C a decrease in the number of top grade engineering degrees awarded

D a decrease in the length of an engineering apprenticeship to four years

A-Level Economics: **w25 13**

7 Market demand curves normally slope downwards. They may also shift from D_1 to either D_2 or D_3.



What would cause a movement along D_1 for good X and **not** a shift to either D_2 or D_3?

A advertising of good X increases sales

B consumer incomes rise

C the price of good X falls

D the prices of other goods fall

A-Level Economics: **s25 12**

9 An increase in which variable will **always** lead to an increase in the consumer surplus?

A cost of production

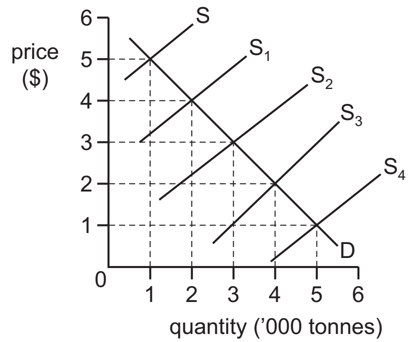
B maximum price

C minimum price

D subsidy

15 In the diagram, D is the demand curve of an agricultural commodity and S is the initial supply curve.

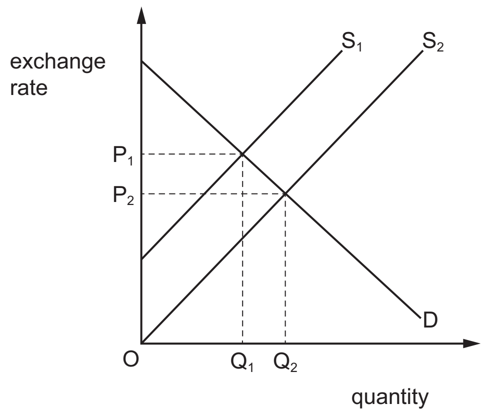
The government promises to maintain farmers' incomes at least at this initial level. The harvests in four subsequent years are shown by supply curves S_1–S_4.



How much in total will the government need to pay to support farmers over the four subsequent years?

A $0 **B** $3000 **C** $6000 **D** $10 000

30 The Euro (€) is the main currency of the European Union. The diagram shows the exchange rate between the Euro and the US dollar.



What is likely to have caused this change in the value of the Euro?

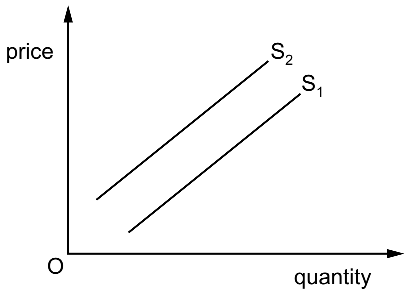
A a decrease in European Union inflation

B a decrease in US interest rates

C an increase in European Union imports

D an increase in European Union unemployment

5 The diagram shows a shift in a firm's supply curve from S_1 to S_2.



What may have caused the shift from S_1 to S_2?

A a decrease in the costs of production of the firm

B a decrease in the popularity of the firm's product

C a decrease in the subsidy on the good

D a decrease in the tax on the good